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CONTACT ADDRESSES

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NAIROBI

Auditors

Controller and Auditor-General
Kencom House
Moi Avenue
P.O. Box 30084 00100
NAIROBI

BOARD OF DIRECTORS



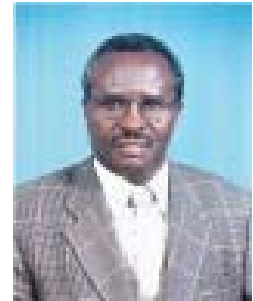
Justus Manyara M'lgweta
Chairman



Edward Odundo
Chief Executive



Joseph Kinyua
Permanent Secretary
Ministry of Finance



Njeru Kirira
Financial Secretary,
Treasury (alternate
to PS, MOF)



Sammy Makove,
Commissioner of
Insurance



Edward Ntalami
Chief Executive
Capital Markets
Authority



Amb. Philip Gitonga
Member



Alice Wahome
Member



John Luusa
Member



David Ogega
Member

SENIOR MANAGEMENT TEAM



Nzomo Mutuku BA, MA (Econ)
Head, Research & Policy Analysis



Stephen O. Mallowah LLB, LLM, CPS
Board Secretary and Head Human Resources &
Administration



Anne K. Mugo Bcom, MBA, ACII
on secondment as Director of
Pensions, Ministry of Finance



Jesse K. Kiptim BBA, CPA (K)
Head, Finance



David B. Nyakundi LLB, CPS
Head, Compliance

CHAIRMAN'S STATEMENT



JUSTUS MANYARA
M'IGWETA
CHAIRMAN

It is indeed my great privilege to present this fourth annual report of the Retirement Benefits Authority which is the first that I am presenting following my appointment as Chairman of the Board of Directors of the Authority.

I am pleased to report that the retirement benefits industry in general and the Authority in particular have continued on the remarkable growth path that has been experienced since the coming into effect of the Retirement Benefits Act in the year 2000.

The Retirement Benefits Authority continues to strive to be a model regulatory institution in the country as we continue to fulfil our mandate of protecting the interests of members and sponsors of retirement benefits schemes and encouraging the growth of the retirement benefits industry.

PENSION REFORM AGENDA

It is now four years since the full commencement of the Retirement Benefits Act. The Act has been an unqualified success bringing the discordant retirement benefits industry into a comprehensive regulatory framework resulting in improved security of member's benefits and impressive growth in the industry. These benefits, however, have accrued to only a limited proportion of the country's labour force and population at large.



Trustee Training Seminar , Thika

It is the Authority's considered opinion that the time is ripe to build on this success and to carry out comprehensive pension reform with a view to improving the life of all Kenyans after their retirement. In this regard, the Authority contends that it is time for the country to begin considering other more comprehensive pension reforms.

One reform possibility is the introduction of a state funded minimum pension for all Kenyans above retirement age. This "Zero-Pillar" scheme would ensure that all Kenyans have some minimum income after retirement. The scheme could either be universal, that is, paying a pension to all Kenyans over a certain age, for example, age 65 or it could be means tested such that only those below a certain income threshold qualify for the benefit.

Experience in other countries has shown that provision of a minimum pension to retirees has a significant impact on reducing the incidence of poverty in any nation and is more effective than many other poverty reduction interventions. However, it is important that such schemes be well thought-out, universal in nature and financially sustainable in the long run.

Another policy reform option is the introduction of some form of compulsion to require all formal sector employers above a certain size to create retirement benefits schemes for their workers. Whereas this would not have the coverage of the universal system, it would provide retirement benefits coverage to formal sector workers in the most efficient manner.

The Authority proposes to initiate discussions with the Government and other stakeholders with a view to studying these proposals and their possible implementation. In the meantime, the Authority continues to work with the Government to seek greater incentives for retirement savings. In this regard, the Authority was heartened to note the increase in tax free portion of lump sums payable by retirement benefits schemes to shs 480,000.00 that was implemented during the 2003 budget speech.



World Bank Institute Sponsored Workshop on Supervision

I would like to commend the Honourable Minister for Finance for providing this additional boost to retirees. The Authority was also gratified to note the changes under the Retirement Benefits Act made by the Minister during the 2003 budget including reducing the maximum vesting period from 5 to 3 years, removal of the requirement for defined contribution schemes to undertake periodic actuarial valuations, allowance for small schemes to invest 100 percent in government securities and giving the Authority powers to directly prosecute offenders under the Act.

CORPORATE STRATEGY

The Board of Directors in August 2003, approved the Authority's strategic plan for the period 2004 to 2006. The plan was developed through a bottom-up approach involving all levels of staff. The all inclusive approach injected the necessary sense of ownership and



Trustee Training Seminar , Nairobi

teamwork to ensure ultimate achievement of the plan objectives.

The strategic planning process resulted in the determination of the Authority's long term vision as:

"a reasonable and sustainable standard of living for every Kenyan worker after their retirement".

Following from this the Authority's mission statement is:

"safeguarding and developing the Kenyan retirement benefits sector by creating and maintaining a conducive environment and fostering professionalism and efficiency."

The overreaching vision and the mission statement will thus guide the Authority's programs going into the future. The strategic plan however, identifies six immediate corporate objectives:

- increasing the level of coverage of retirement benefits in Kenya;
- improving average benefits replacement rates;
- bringing all stakeholders into full compliance with the Retirement Benefits Act;
- maintaining a lean skilled, motivated, efficient and effective workforce;
- implementing time and cost effective operational systems; and,
- working with stakeholders to bring about a harmonised, workable and transparent legislative framework for the retirement benefits industry.

These are the objectives that we are working on with specific measurable targets laid down for each objective. The Authority's operations are however guided by core values which are:

FROM THE COMPLAINTS CASE FILES

CASE EXAMPLE 1

The Complainant was a former member of the Provident Fund of a medium sized bank. The Complainant lost his job during the acquisition of this bank by a rival bank whereupon his benefits were calculated but used to offset a loan which he had with the bank for a *shamba* purchase. The Complainant struggled with the bank to have this decision reversed for three (3) years before he brought his complaint to the Authority in July of 2002.

The follow-up of the matter was made difficult by the fact that the fund no longer existed as it had been absorbed into another scheme and the sponsor had also been absorbed into another company. However, with the intervention of the Authority the complainant was paid his benefits in February 2003, four years after he had withdrawn from the scheme.

CASE EXAMPLE 2

The Complainant worked with one of leading banks in the country which has a large pension scheme with billions of shillings in assets. On his resignation from the bank in 1997, in accordance with bank practice at that time, his benefits were paid into his loan account without seeking express instructions on how he wished to be paid his benefits. The amounts were inevitably utilized in offsetting his loan account balance.

Following the filling of an official complaint with the Authority, the Authority interceded on his behalf with the bank on the issue. The Complainant as well as five other complainants from the same scheme have been paid their benefits with the issue of the loan amounts being addressed through other legal avenues. The trustees of this banks' retirement benefits scheme have now changed policy and seek express instructions from members on the way in which they wish to be paid benefits.



Pre-Retirement Preparation Seminar

- Firm and Fair
- Integrity
- Transparency and Accountability
- Proficiency in quality service delivery

PUBLIC EDUCATION CAMPAIGN

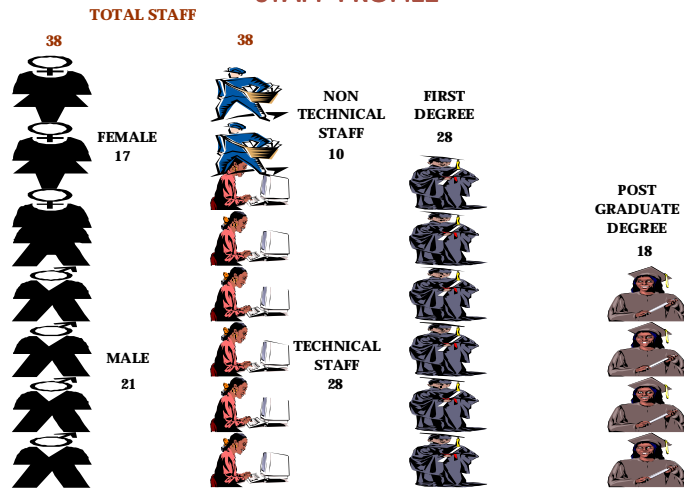
In addition to incentives, the other key to encouraging Kenyans to save more for retirement is education. The Authority's public education campaign which commenced in the previous year continued in high gear throughout 2002/2003. Apart from the initial platforms of seminars, media advertisements, newsletters and mobile cinema, the Authority has expanded the campaign to include different avenues.

The Authority participated in the 2003 Nairobi International Trade Fair where the Authority's stand proved popular with the old and young alike. Building on this beginning the Authority shall be participating in the Mombasa as well as Nairobi trade fairs during 2004.

Similarly, the Authority in November 2003 hosted the first-of- its- kind retirement benefits open day. During the event 21 different exhibitors from the retirement benefits industry mounted stands from which they were able to promote their services to members of the public. The event recorded an impressive turnout with good attendance from scheme trustees, members and the general public interested in saving for retirement.

As an additional new initiative the Authority from January 2004 began hosting pre-retirement preparation seminars for members of registered schemes who are within 5 years of retirement. These seminars are aimed at ensuring that scheme members are able to meet the challenges of retirement positively and with confidence and at providing them with training on how their benefits will be derived and how they should apply the benefits once they receive them.

STAFF PROFILE



FROM THE COMPLAINTS CASE FILES

CASE EXAMPLE 3

The Complainant was an employee of a local car hire company and a member of their staff retirement benefits scheme. The Complainant was involved in a motor accident in the course of duty and at this point the employer claimed that he had not been put on their company medical scheme. The employer did eventually pay the medical bill but shortly thereafter terminated his services. On claiming his pension withdrawal benefits, the employer claimed that they would only pay these benefits less the amounts paid towards his medical bills.

On bringing his complaint to the Authority, the employer was made to understand the obligation of the trustees to pay these benefits and the complainant eventually received his cheque, an amount which to his own admission he had written off as a loss.

CASE EXAMPLE 4

The Complainant's employer had withheld his benefits, which by then had been computed and released by the administrator to the employer for onward transmission, apparently because he had failed to collect some debts owed to the employer by customers before his employment was terminated.

The Complainant was being forced to collect these outstanding debts before his benefits were released, even though he was no longer in employment. The complainant was also suffering from stress related illness due to the harassment from the employer and visited the Authority in a highly agitated state.

The Authority treated this as a special case taking action on the employer and educating them on the separation between the employer and the scheme. The Complainant's benefits were paid in a record three weeks and the Authority is pursuing other claims relating to the same scheme.

STAFFING & TRAINING

The Authority's total staff compliment remained at 38 as in the previous year. The Authority shall continue to maintain a lean staff compliment as envisaged in the corporate plan by automating its core services and out sourcing non-core activities.

In order to maintain such a lean establishment the Authority requires to maintain the highest quality of staff and to continuously re-emphasise staff training. Thus out of the Authority's 38 staff, 28 are technical staff. All technical staff hold a first degree together with either a post graduate degrees or professional qualification or both.

The Authority organised a number of training programs for staff during the year. Some of the areas covered in the training included pension reform, regulation and supervision, pension administration, investment management as well as various training in information technology.

INTERNATIONAL RELATIONS

During the year the Authority joined the African Pension Forum as a founder member, The Authority's Chief Executive, Mr. Edward Odundo was elected as the Chairman of the new initiative. The African Pension Forum brings together African institutions which are either national regulators or administrators of national pension schemes. The objectives of the forum are to:

- encourage the development and expansion of pension systems that provide adequate benefits and are sustainable in the long term;
- ensure that proper reforms which take into regard national interests and the best international standards are adequately embraced among member countries;
- improve pension administration, regulation and supervision in Africa; and,

- To improve the management of pension reserves for purposes of guaranteeing adequate pension payments to the people of member countries.

The Authority also entered into a collaboration on learning and knowledge sharing with the World Bank Institute which is based in Washington D.C. Within the framework of the collaboration the two institutions have been able to facilitate capacity building for players in the retirement benefits industry. In addition, the Institute has been able to facilitate for local and overseas training for some of the Authority's staff.

Meanwhile, the Authority's Chief Executive and Head of Research & Policy Analysis attended the meeting of the Organisation for Economic Development (OECD), Working Party on Pensions meeting in Paris France in November 2003. Eventhough the meeting would ordinarily be reserved for OECD members, the Authority had received a special invitation in recognition of it's efforts in developing the Kenyan retirement benefits industry. The Authority expects to continue working closely with the OECD as well as the International Network for Pension Regulators and Supervisors (INPRS) and the International Social Security Association (ISSA) so as to learn from international experience and remain at the cutting edge in the pension reform debate.



Retirement Benefits Open Day

CHANGES TO THE BOARD OF DIRECTORS

There were major changes to the Board of Directors in 2003. I was appointed Chairman of the Board on December 18, 2003 replacing Mr. H. Mutuma Kathurima who is now Kenya's High Commissioner to India. Also appointed to the board on the same day were Alice Wahome, Ambassador. Phillip Gitonga, Mr. John Luusa and Mr. David Ogega who replace Mr. Joseph Olubayi, Mr. Samson Munikah, Mr. Japh Olende and Mr. John Munge.

There have also been changes to the ex-officio representation on the Board. Mr. Edward Ntalami is the new Chief Executive of the Capital Markets Authority and therefore joins the RBA Board. Mr. Njeru Kirira, the Financial Secretary at the Treasury takes over as the alternate to the Permanent Secretary in the Ministry of Finance. Mr. Sammy Makove, the Commissioner of Insurance remains on the Board as an ex-officio member.

FINANCIAL REPORT

The financial statements of the Authority for the year 2002/2003 were approved by the Board on September 10, 2003 and received an unqualified opinion from the Controller and Auditor-General on June 3, 2004.

Levy income declined from shs 149.3 million in the previous year to shs 146.5 million in the year 2002/2003. The decline was a result of the reduction in the minimum levy from shs 6,000.00 to shs 2,000.00 with effect from July 2002. The reduction in levy affected 30 percent of all schemes paying levy to the Authority and was very much welcomed by small schemes that have been affected by compliance costs.

Exchequer budgetary allocations to the Authority declined from shs 38 million in 2001/2002 to shs 14.9 million in 2002/2003. This grant from the Government was less than the budget amount of shs 24 million provided in the Government's Medium Term Expenditure Framework. This marks the end of Treasury budgetary support to the Authority with the Authority not budgeting to receive any



Nairobi International Trade Fair

funding from the Government in the future. This is in line with the Government's desire for regulatory bodies and other public institutions to operate financially independent of the Treasury.

As a result of the decline of both levy receipts and exchequer allocations, total revenue receipts declined by 12 percent in 2002/2003 compared to 2001/2002.

Other less significant sources of revenue included interest on short term investments and registration fees from managers and custodians. As in the past, retirement benefits schemes were not required to pay any fees for registration.

Operating expenditure, however, increased from shs 107.4 million to shs 141.3 million. Significant increases were in training and development following institution of the aforementioned training programme and public education due to the implementation of new channels of public education. Spending on information technology systems also increased as the Authority implemented a new document imaging and work-flow system.

Capital expenditures rose from shs 9.7 million to shs 12.8 million reflecting procurement of computer hardware for the implementation of the new system as well as the procurement of two motor vehicles for use by the Authority's scheme inspection teams.

The Authority's operations resulted in an excess of operating income over operating expenditure of shs 7.2 million.

Going into the new financial year expenditures are expected to remain steady as the Authority continues its full range of programmes, levy revenues are expected to increase marginally with expected growth in the industry while government grants will be discontinued.

APPRECIATION

On behalf of all the new members of the Board of Directors I would like to express our appreciation to the Honourable Minister for Finance for appointing us to the Board of this noble and respected institution. The new Board has already committed to working to the highest endeavour to live up to the great confidence that the Minister has bestowed upon us.

I would also like to once again thank the Minister and his team at the Treasury for the continued support and guidance that the Treasury has rendered to the Authority.

I would also like to express sincere appreciation to all the former Board members for their diligent service to the Authority in bringing it up to the exemplary institution that it is today.

I must also commend the various stakeholders in the industry including lobby groups, trustees, sponsors, members and service providers for all their assistance and cooperation.

Finally, I must also thank my fellow Board Members and the management and staff of the Authority for their continued commitment and contribution.

JUSTUS MANYARA M'IGWETA
CHAIRMAN

CHIEF EXECUTIVE'S REPORT



EDWARD ODUNDO
CHIEF EXECUTIVE

The year 2002/2003 was a good one for the retirement benefits industry in Kenya reflecting the situation in the investment market for scheme assets.

DEVELOPMENTS IN THE INTERNATIONAL PENSIONS INDUSTRY

The International pension system continued to respond to demographic and economic pressures. These were primarily manifest in aging populations and declining returns on investments particularly in the international equity markets which remained highly volatile.

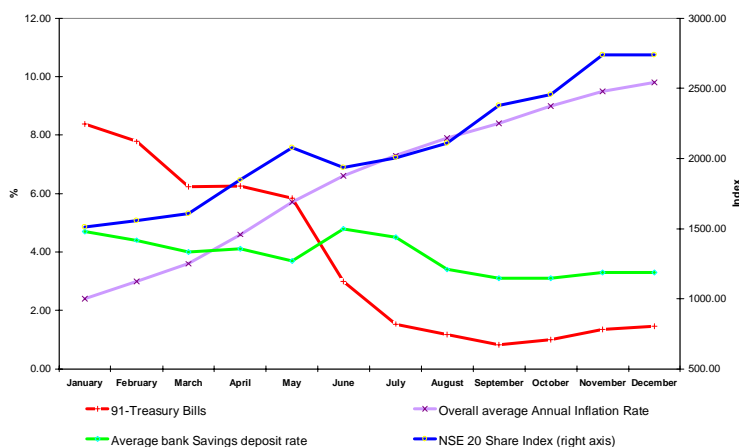
The discourse on pension reform continued to be enriched as more and more focus was shifted to this area in the academia and policy circles. Some of the key area of debate in the area of pension reform include:

- Coverage - the level of coverage of pensions systems in most developing countries is woefully low. Strategies to increase coverage include education, tax incentives, compulsion and universalization.
- Risk, uncertainty and choice - many pensions reforms involve an aspect of giving the individual more choice in how his/her retirement savings are invested. Whereas this is a desirable attribute, it has emerged that many workers, even

in the most developed countries, have little awareness about concepts related to investment and risk.

- Savings - does increased saving for retirement increase gross national savings rates or are these savings simply diverted from other forms of savings resulting in a limited net increase?
- Administrative Costs - costs of pension systems are always controversial. Often a lot of emphasis is put on costs of reform while ignoring the benefits. Also short term transition costs are usually over emphasized without consideration of the beneficial long term impact on the financial sustainability of the system.
- Risk Based Supervision - different models of supervising and regulating occupational pension schemes are in use around the world. These range from the proactive controlling system common in Latin America to the reactive exception based system as in the United States. A number of countries are moving to a more flexible risk-based system which seeks to minimize contingencies and optimally allocate supervision resources.

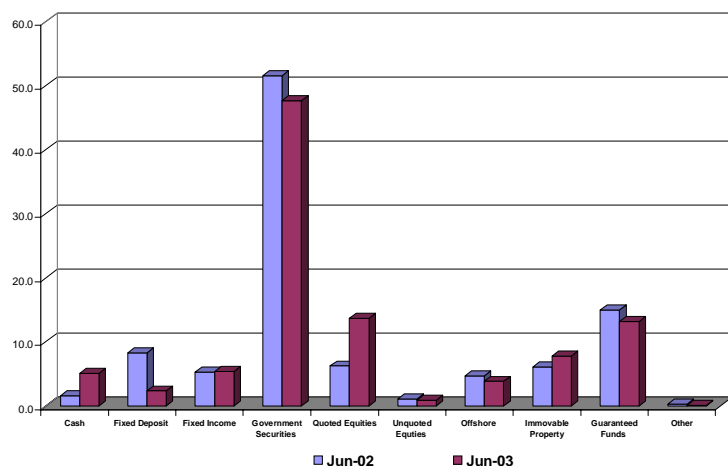
KENYA MACROECONOMIC INDICATORS JANUARY - DECEMBER 2003



DOMESTIC ECONOMY

The Kenyan real Gross Domestic Product growth rate picked up from 1.2 percent in 2002 to 1.8 percent in 2003. Other macroeconomic indicators in the economy were mixed with the inflation rate rising from 2.4 percent in January 2003 to 9.8 percent in December 2003. Interest rates, on the other hand, moved in the opposite direction with the 91 day Treasury Bill rate declining from 8.4 percent to 1.5 percent over the same period. Interest rates on savings declined marginally from an average of 4.7 percent to 3.3 percent by December 2003.

CHANGE IN SCHEME INVESTMENT PORTFOLIO - SCHEMES UNDER MANAGEMENT JUNE 2002 - JUNE 2003



FROM THE SANCTIONS CASE FILES

CASE EXAMPLE 1

The scheme was established in 1976 for a state corporation in the agricultural sector. The scheme initially invested in the Kenya National Assurance Company but transferred to a fund manager in 1993. In the process of registering the scheme the authority noted a number of irregularities which were augmented by a high volume of member complaints. These included:

- A high level of unremitted contributions from the employer to the scheme amounting to 25% of the scheme fund. It was found that the employer was deducting due contributions from employees salaries and failing to remit the same to the scheme.
- Following the revival of KNAC, the employer had been receiving due payments from KNAC but failing to remit them to the scheme.
- Non-payment and/or miscalculation of members benefits. A large number of employees who had been retrenched in 2002 has not been paid their benefits.
- Poor record keeping and administration.
- Non-disclosure of material facts to the Authority.

The Authority established that there had been a material breach of the law and that members funds were in great jeopardy. The Authority appointed an external inspector to carry out a complete audit of the scheme. Following the report of the inspector a new Board of Trustees was appointed and a compliance action plan developed. Retrenched employees were paid 50 percent of their benefits with the balance to be paid in 2004 as the scheme financial position continues to improve.

INVESTMENT ENVIRONMENT

Retirement Benefits schemes had a good year in 2003 as a result of significant rises in portfolio valuations in the equity and bond markets. The Nairobi Stock Exchange experienced large increases in the price of certain counters resulting in the 20-share index rising by 81 percent from 1510 to 2738 during the year. This outperformed world stock indices with the Morgan Stanley All Country World Index only rising by 36 percent. With retirement benefits schemes holding many of the blue chip counters at the Nairobi Stock Exchange the value of holdings of equities by schemes under managers rose from shs 6.2 billion in December 2002 to shs 16.1 billion by September 2003.

Meanwhile, the declining yield on the 91 - day Treasury Bill dragged down the yield curve with interest on new issues of longer dated bonds declining in tandem. The impact of this was to raise the market price of the earlier issued fixed-coupon bonds trading at the exchange. With schemes being major holders of the longer dated securities, they saw the value of their bond holdings rise significantly in the course of the year.

The impact of market changes was reflected in a realignment in scheme portfolios. Scheme purchases of the new issues of government securities declined in tandem with the declining yields. Similarly, with investment managers bullish on the equity market, schemes increased their holdings in addition to riding the general market increase.

On the other hand, scheme holdings of bank deposits and guaranteed fund investment declined due to the relative low interest rates. Unfortunately the market for corporate fixed income instruments dried up as there were hardly any new issues and the existing bonds continued to reach maturity. The retirement benefits industry remains hopeful that there will be floatations of long term corporate debt instruments in the domestic capital markets in the near future.

SCHEME REGISTRATION AND COMPLIANCE

In the three years that have passed since the commencement of the Retirement Benefits Act, there has been major quantitative as well as qualitative growth in the retirement benefits industry in this country.

Indeed, the country has been gripped by a re-awakening with regard to the hitherto ignored matters concerning retirement benefits. Workers are now more concerned about putting something aside for retirement and are exploring the avenues available to them to do so. Scheme members are suddenly more vocal and observant and they are now agitating for their rights and closely monitoring the actions of the trustees. The trustees themselves are more enlightened and have taken back their responsibilities which they had previously surrendered to sponsors and other parties.

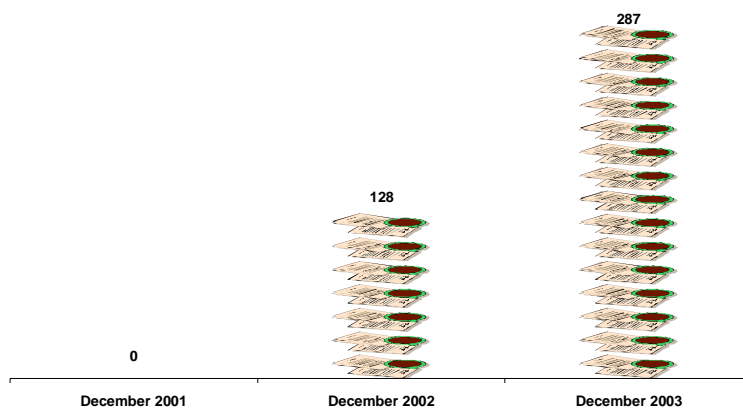
The changes in the industry brought about by the new legislative framework have resulted in significant benefits to the schemes. These include improved portfolio diversification and returns as a result of the use of independent investment manager, higher security following the separation of asset custody to independent custodians, member participation through board representation and annual general meetings and greater transparency and accountability through annual audited financial statements and other statutory returns.

The Authority has to date approved 287 schemes as having met all the conditions for final registration. The majority of the other schemes are close to full compliance though there are a few notable exceptions. For those few schemes that are not making progress towards compliance the Authority has carried out compliance visits in order to identify the root causes of the problems.

In two cases the Authority was forced to appoint an external interim administrator to take over the running of the schemes because the actions of the trustees were likely to jeopardise members funds. In other cases the Authority has appointed external inspectors to carry out forensic audits and due diligence of the schemes assets and transactions. In the coming financial year the Authority shall be initiating prosecutions of some scheme trustees who were found to have continued to wilfully contravene the law.

There are also a few schemes that are attempting to come into compliance but are unable to do so due to historical circumstances. These include some public sector schemes which are grossly under-funded due to failure of their cash strapped sponsors to remit contributions in the past. In addition, some schemes have investment profiles greatly at variance with the prescribed investment guidelines due to gross mismanagement and abuse in the past. In these cases, the Authority's has assisted the trustees to prepare compliance action plans aimed at brining the schemes into compliance in the medium term.

NUMBER OF SCHEMES ISSUED WITH FINAL REGISTRATION CERTIFICATE



The largest scheme in the country, the National Social Security Fund, is largely non-compliant with the Retirement Benefits Act. The scheme continues to face problems of high administrative costs, low investment returns, incorrect valuations of investments and problems in keeping membership records resulting in suspense accounts. The recipe to overcoming these problems remains speedy compliance with key provisions of the Act and development of an action plan of eventual compliance with those not immediately achievable.

FROM THE SANCTIONS CASE FILES

CASE EXAMPLE 2

Members of the pension scheme of a financial sector company complained to the Authority with regard to the operations of their scheme. The members, *inter alia*, raised the following issues:

- The scheme fund was being invested in the company in gross violation of the law. Members contributions instead of being paid to the scheme were being retained in the company and treated as a loan from the scheme.
- The "loan" to the company was earning low rates of interest and members accounts were being credited with low amounts of interest relative to the market.
- There was an amount which had been invested in the Kenya National Assurance Company (KNAC) which was not being reflected in the scheme records.
- The trustees of the scheme consisted of senior management of the company and their decisions were in the interest of the company and not the members.
- A member had died in service but his survivors had never received any death benefit.

The Authority appointed an Interim Administrator to take over the running of the scheme and secure all assets of the scheme. The Interim Administrator appointed an independent custodian who took custody of all the assets of the scheme including amounts previously invested in the company. The Interim Administrator has also appointed an independent manager to invest the scheme fund, ensured installment payments from KNAC are paid to the scheme, paid out the death benefits in respect of the deceased member and brought the scheme into compliance with the law much to the satisfaction of the members.

As the number of schemes that are fully compliant with the law continues to increase, the Authority will be able to move away from proactive supervision of schemes toward a more risk based supervision approach. The primary areas of risk once a scheme is properly set up in compliance with the law are:

- financial loss of funds;
- violation of member protection regulations;
- inefficiencies that increase costs or reduce returns to member's; and,
- poor quality of service to members or beneficiaries.

The Authority will identify the potential sources of each of these risks and quantifiable indicators and early warning benchmarks for the probability of occurrence. The Authority's resources and interventions will thus be allocated towards areas of highest risk.

Adoption of a risk based approach requires greater self regulation by the schemes including having an in-house person charged with ensuring compliance. However, reduced need for communicating with the regulatory body and reduced intervention should result in reduced compliance costs for the scheme and lower costs of operating for the regulator which would be passed back to the scheme through lower fees and levies.

AVERAGE LEVEL OF MONTHLY PENSION INCOME - PENSIONERS SURVEY 2003

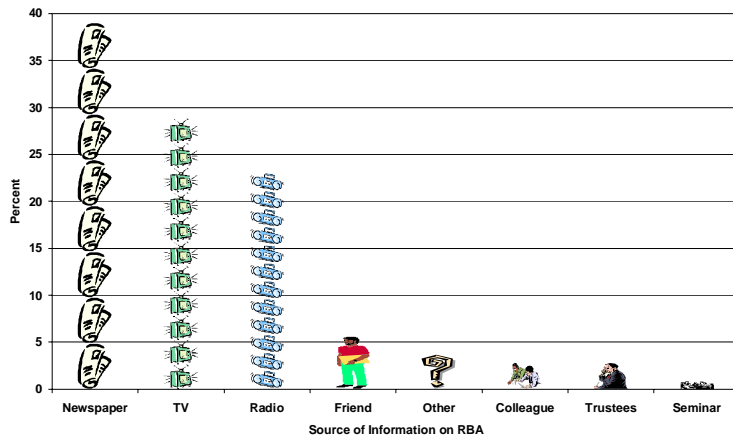


COMPLAINTS

During 2003, the Authority received 195 formal complaints from scheme members with regard to their schemes. This brought the total number of complaints received to 554. Following the Authority's intervention, 389 of these have been resolved to the satisfaction of the members.

The remaining cases are at various stages of resolution. In only two cases has the Authority's direction been formally challenged. These cases have been referred to the independent Appeals Tribunal.

SOURCES OF INFORMATION ABOUT RBA - PENSIONERS SURVEY 2003



PENSIONERS SURVEY 2003

The Authority in 2003 carried out its second survey of pensioners and retirees countrywide. As in the previous survey carried out in 2002, the underlying objective was to establish the circumstance of retirees in this country and their experiences as members of retirement benefits schemes. The survey involved interviewing recent retirees from a wide spectrum of schemes in all parts of the country. Some of the key policy findings were:

- Need for greater preparation of scheme members for retirement. This should include education on benefits and investments. Schemes as well as the Retirement Benefits Authority need to carry out pre-retirement seminars for members who are approaching retirement.
- Need for increased indexation of pensions as in many schemes these remain static despite increases in the cost of living.
- Annuitization and other financial market investment of lump sum benefits is insignificant. There is need for education on, as well as development of, new capital market products through which retirees can invest lump sums.
- Members are still facing long delays in obtaining their benefit. There is need for specific legislation for benefits from Occupational Retirement Benefits Schemes to be paid within say 90 days

and for retirees to earn interest on benefits in case of any further delay.

- No overwhelming evidence that members of externally administered schemes are better off than those in internally administered schemes. Both externally and internally administered schemes have performed woefully in their role of providing information to members. There is need for regulation of administrators whether internal or external to provide clear framework for their operations and thereby address issues of delays in payments and failure to provide information to members.

- Awareness about the Retirement Benefits Authority is increasing in all areas of the country reflecting the impact of the public education campaign. There is need to enhance the campaign and place more emphasis on TV and Newspapers which have been the most effective media.

PROGNOSIS

The Honourable Minister for Finance has described retirement benefits schemes as the cornerstones of Kenya's Economic Recovery Programme. Indeed, these schemes have made and will continue to make significant contribution to Kenya's economic development.

The adjustment period following the introduction of the Retirement Benefits Act is now winding down. It is time to consolidate the tremendous gains that have been made and move our retirement benefits industry to the next level.

We look forward to another successful year for the industry and the Authority and moving closer to our vision of a reasonable and sustainable standard of living for every Kenyan worker after their retirement.

EDWARD O. ODUNDO
CHIEF EXECUTIVE OFFICER

FINANCIAL STATEMENTS

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF THE RETIREMENT BENEFITS AUTHORITY FOR THE YEAR ENDED 30 JUNE 2003.

I have examined the financial statements of the Retirement Benefits Authority for the year ended 30 June 2003 in accordance with the provisions of section 29 of the Exchequer and Audit Act (Cap 412). I have obtained all the information and explanations required for the purpose of the audit. Proper books of account were kept and the financial statements which have been prepared under the historical cost convention are in agreement therewith and comply with the Retirement Benefits Authority Act No. 3 of 1997.

In my opinion, the financial statements when read together with the notes thereon give a true and fair view of the financial affairs of the Authority as at 30 June 2003 and its surplus and cash flows for the year then ended.



E.N. MWANGI
CONTROLLER AND AUDITOR GENERAL

Nairobi

03 June, 2004

**FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDED
JUNE 30, 2003**

**INCOME & EXPENDITURE STATEMENT FOR THE PERIOD ENDED
JUNE 30, 2003**

		FY2002/2003	FY2001/2002
	NOTE	(Kshs)	(Kshs)
LEVY INCOME	1	146,492,826	149,307,681
FEES INCOME	1	1,100,000	2,495,000
OTHER INCOME	1	831,399	50,900
TOTAL OPERATING INCOME		148,424,224	151,853,581
TOTAL OPERATING EXPENDITURE	2	(141,259,577)	(107,408,570)
EXCESS (SHORTFALL) OF INCOME OVER RECURRENT EXPENDITURE		7,164,647	44,445,010
GOVERNMENT GRANTS	1	14,875,000	38,000,000
FINANCE INCOME:	1	11,393,166	8,851,194
TRANSFERRED TO GENERAL FUND		33,432,813	91,296,204

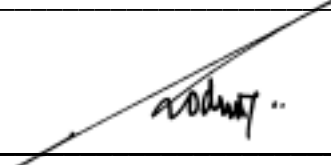
BALANCE SHEET AS AT JUNE 30, 2003

		FY2002/2003	FY2001/2002
		(shs)	(shs)
ASSETS	NOTE		
Non-current assets			
Property and Equipment	5	35,720,035	35,047,793
		35,720,035	35,047,793
Current assets			
Receivable	7	2,523,170	4,361,944
Investment in Government Securities	7	181,192,092	164,164,554
Cash and Bank Deposit	6	37,131,408	17,263,859
		220,846,670	185,790,357
Total Assets		256,566,705	220,838,150
FUNDS AND LIABILITIES:-			
General Fund	3	203,797,520	170,364,707
Capital Fund	4	45,457,000	45,457,000
		249,254,520	215,821,707
Current liabilities			
Payable	9	7,312,186	5,016,443
		7,312,186	5,016,443
Total Funds and Liabilities		256,566,705	220,838,150

The Financial Statements were approved by the Board of the Authority on September 10, 2003 and signed on its behalf by:



CHAIRMAN



CHIEF EXECUTIVE

**STATEMENT OF CHANGES IN FUND BALANCES FOR THE YEAR ENDED
JUNE 30, 2003**

	Capital Fund	General Fund	Total
	(shs)	(shs)	(shs)
As at 1st July 2002	45,457,000	170,364,707	215,821,707
Excess of income over recurrent Expenditure	-	33,432,813	33,432,813
	45,457,000	203,797,520	249,254,520

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2003

	FY2002/2003	FY2001/2002
	(shs)	(shs)
Cash flows from Operations:-		
Excess of income over recurrent expenditure	33,432,813	91,296,204
adjustment for :-		
Gain on disposal of non-current assets	(479,749)	-
Investment income receivable	(1,304,386)	(2,101,756)
Depreciation (<i>note 5</i>)	11,071,248	9,994,522
Operating surplus before working capital changes	42,719,926	99,188,969
Decrease in receivable	3,143,160	(155,544)
Increase in payable	2,295,743	3,773,676
Net working capital changes	5,438,903	3,618,132
Net cash flows from operating activities	48,158,829	102,807,101
Cash flows from investing activities :-		
Purchase of property & equipment	(12,090,242)	(9,770,748)
Net cash used in investing activities	(12,090,242)	(9,770,748)
Cash flows from financing activities :-		
GOK grants to purchase property & equipment	-	-
Proceed from disposal of property & equipment	826,500	826,500
Net cash used in financing activities	(11,263,742)	(9,770,748)
Net increase in Cash and Cash Equivalent in the year	36,895,087	93,036,353
Cash & Cash Equivalent as at the beginning of the year	181,428,413	88,392,060
Cash & Cash Equivalent as at the end of the year (<i>note 8</i>)	218,323,500	181,428,413

NOTES TO THE FINANCIAL STATEMENTS FOR THE TWELVE MONTHS PERIOD ENDED JUNE 30, 2003

Accounting Policies

The financial statements are prepared in accordance with and comply with International Accounting Standards. The principal accounting policies adopted in the preparation of these financial statements are set out below :

a) Basis of accounting

The financial statements have been prepared under historical cost basis.

b) Government Grants

Government grants are accounted for when received. Those of revenue nature are credited to income while those of capital nature are credited to capital fund. Government grants used to acquire non current assets are accounted for as per Kenya Government accounting procedures but not in accordance to the requirements of I AS 20.

c) Fees, interest and other income

Fees and interest income are accounted for on accrual basis.

d) Scheme levy

The levy payable to the Authority by the schemes on the basis of audited fund is accounted for on cash basis and is payable to the Authority four months after the end of the schemes' financial year.

e) Depreciation

The depreciation policy is full charge for non-current assets in use for periods in excess of nine months and no charge for those acquired within three months of the end of the financial year. This is calculated on straight-line basis to write off the cost of non current assets over their useful lives at the following rates:

Furniture and fittings:	12.50%
Equipment:	25.00%
Motor Vehicles;	25.00%

f) Capital fund

This represents the amount granted by the Government in the prior years to acquire non-current assets at the inception of the Authority.

g) Over-provisions

The over-provisions in the prior year are credited to income.

h) Retirement benefits obligations

The Authority operates a defined benefits scheme for its staff and also makes statutory contribution to NSSF. The Authority's retirement benefits obligations to the schemes are charged to income as they fall due.

i) Foreign currency translations

Assets and liabilities expressed in foreign currencies are translated into Kenya shillings at the rates ruling at the balance sheet date. Transactions during the year are translated at rates ruling at the dates of the transactions. Exchange gains and losses are dealt with in the income and expenditure statement.

j) Comparatives

Where necessary comparative figures have been adjusted to conform with changes in the presentation in the current year.

Note 1: REVENUE

		FY 2002/2003	FY2001/2002
		(shs)	(shs)
Government recurrent grants		14,875,000	38,000,000
Retirement benefits levy		146,492,826	149,307,681
Registration fees:			
Managers	-		
Custodians	1,100,000	1,100,000	2,495,000
Finance income:			
Investment income from 91 days T/ Bills	10,278,395		
Interest income	1,114,771	11,393,166	8,851,194
Other income			
Disposal of Property	479,759		
Tribunal Fees	8,400		
Pre-Qualificaton Fees	343,250	831,399	7,900
Prior year over provisions written back		-	43,000
		174,692,390	198,704,774

Note 2: EXPENDITURE

	FY2002/2003	FY2001/2002
	(shs)	(shs)
Board expenses	3,721,882	1,287,082
Tribunal expenses	911,447	16,500
Personnel emoluments	51,954,354	47,593,275
Medical expenses	4,086,261	2,588,920
Insurance & maintenance of equipment	1,280,911	892,097
Insurance & maintenance of motor vehicles	2,958,294	2,344,723
Official entertainment	708,209	353,066
Partitioning & repairs	14,730	91,234
Uniforms	406,182	356,624
Hire of equipment	47,549	21,206
Travel & accommodation	4,567,507	1,615,056
Office running expenses	1,033,369	858,663
Stationery and printing	1,780,658	1,651,837
Public education & awareness expenses	14,959,386	12,905,943
Training & development	14,905,931	5,858,034
Library expenses	817,441	570,728
Cleaning expenses	923,434	858,561
Rent & rates	11,814,345	11,577,563
Power & lighting	530,712	500,856
Communication expenses	3,215,276	3,196,158
Professional charges & subscriptions	1,148,269	1,889,472
Audit fees	250,000	200,000
Bank charges	451,873	186,450
Information technology expenses	7,700,310	
Depreciation expenses	11,071,248	9,994,522
	141,259,577	107,408,570
PERSONNEL COSTS		
Consolidated salary	44,736,661	42,206,866
Leave pay and passages	806,778	-
Pension contributions	6,410,915	5,386,409
	51,954,354	47,593,275

The relative expenditure variance in FY 2002/2003 compared to FY 2001/2002 is because more programs were substantially undertaken.

Note 3: GENERAL FUND

	FY 2002/2003	FY 2001/2002
	(shs)	(shs)
Balance B/F	170,364,707	79,068,503
Excess of income over recurrent expenditure	33,432,813	91,296,204
	203,797,520	170,364,707

Note 4: CAPITAL FUND

	FY 2002/2003	FY 2001/2002
	(shs)	(shs)
Balance B/F	45,457,000	45,457,000
Government grants	---	---
	45,457,000	45,457,000

Note 5: PROPERTY, PLANT AND EQUIPMENT

	MOTOR VEHICLE (Shs)	OFFICE EQUIPMENT (Shs)	FURNITURE & FITTING (Shs)	TOTAL Shs)
COST/VALUATIONS:-				
Balance B/F	10,702,023	16,937,792	32,033,763	59,673,578
Additions at cost	7,553,872	2,885,518	1,650,852	12,090,242
Revaluation	-	-	-	-
Disposals	(1,387,005)	-	-	(1,387,005)
As at June 30, 2003	16,868,890	19,823,310	33,684,615	70,376,815
DEPRECIATION				
Balance B/F	5,624,123	8,161,817	10,839,845	24,625,785
Charge for the year	4,217,222	4,915,124	1,938,902	11,071,248
Disposals	(1,00,254)	-	-	(1,00,254)
Balance C/F	8,801,091	13,076,941	12,778,747	34,656,780
NET BOOK VALUES:-				
As at June 30, 2003	8,067,798	6,746,369	20,905,868	35,720,035
As at June 30, 2002	5,077,900	8,775,975	21,193,918	35,047,793

Note 6: CASH AND BANK DEPOSITS

	FY 2002/2003	2001/2002
	(shs)	(shs)
Cash on hand	-	-
Bank Balances	26,632,119	11,402,361
Bank deposits	10,499,289	5,861,498
	37,131,408	17,263,859

Note 7: RECEIVABLES

	FY 2002/2003	FY 2001/2002
	(shs)	(shs)
Interest receivable on 91 days T/Bills	1,304,386	1,834,870
Investment on 91 days T/Bills	181,192,092	164,164,554
Interest receivable on bank deposits	-	445,868
Prepayments	1,218,784	2,081,206
	183,715,263	168,526,498

Note 8: ANALYSIS OF CASH & CASH EQUIVALENTS

	FY 2002/2003	FY 2001/2002
	(shs)	(shs)
Bank balances	26,632,119	11,402,361
Cash on hand	-	-
Bank deposit	10,499,289	5,861,498
Investment on 91 days Treasury Bills	181,192,092	164,164,554
	218,323,500	181,428,413

Note 9: CREDITORS AND ACCRUALS

	FY2002/2003	FY2001/2002
	(shs)	(shs)
Board expenses	-	120,000
Tribunal expenses	22,000	
Personnel emoluments(PAYE& Salary arrears)	22,800	853,746
Furniture,fixtures and fittings.	233,240	353,240
Professional charges and subscriptions	6,126	-
Audit fees	250,000	200,000
Insurance and maintenance of equipment	2,920	7,323
Insurance and maintenance of motor vehicle	1,770	115,814
Official entertainment	-	6,420
Travel & accommodation	2,726	4,610
Training and development	33,000	53,400
Library expenses	237,220	64,008
Advertising and publicity	401,999	2,963,421
Uniforms	51,958	
Medical expenses	501,485	20,000
Office expenses	174,373	39,750
Communication expenses	176,354	150,301
Power & lighting	40,025	40,760
Stationery expenses	190,356	23,651
Information technology expenses	4,961,925	-
Levy refundable	1,908	-
Total	7,312,186	5,016,443

These are accrued provisions on services rendered to the Authority which were not paid for as at June 30, 2003.

COMPLIANT SCHEMES

SCHEMES ISSUED WITH FINAL REGISTRATION CERTIFICATE AS AT DECEMBER 31, 2003

NO.	NAME OF SCHEME	SCHEME REF. NO.
1	A A R Health Services Staff Retirement Benefits Scheme	139
2	A.I.C. Bethany Crippled Children's Centre Staff Pension Scheme	1,132
3	Abercrombie and Kent Limited Staff Retirement Benefits Scheme	211
4	Academic Services Limited Staff Retirement Benefits Scheme	84
5	Across-Kenya Staff Provident Fund Scheme	463
6	Actionaid - Kenya Staff Pension Scheme	194
7	Africa Inland Mission International Services Staff Retirement Benefits Scheme	1,167
8	Africa Nazarene University Staff Retirement Benefits Scheme	1,012
9	African Banking Corporation Limited Staff Provident Fund	1,218
10	African Cotton Industries Staff Retirement Benefits Scheme	994
11	African Highlands Provident Fund	1,232
12	African Medical & Research Foundation Staff Retirement Benefits Scheme	69
13	Afya Sacco Society Limited Staff Retirement Benefits Scheme	282
14	Aga Khan Educational Service Companies Staff Retirement Benefits Scheme	555
15	Aga Khan Foundation Staff Pension, Life Assurance and Personal Accident Scheme	556
16	Aga Khan Health Service, Kenya Staff Pension and Life Assurance	554
17	AIG Global Investment Company (East Africa) Ltd. Staff Retirement Benefits Scheme	1,085
18	Air Kenya Aviation Limited Staff Pension Fund	772
19	Airside Limited Staff Pension Scheme	1,184
20	Amedo Centres Kenya Limited Executive Staff Retirement Benefits Scheme	773
21	American Life Insurance Company (Kenya) Limited Individual Pension Plan	1,097
22	American Life Insurance Company (Kenya) Limited Staff Pension Scheme	366
23	Analabs Limited Staff Provident Fund	1,147
24	Armed Forces Canteen Organisation Staff Retirement Benefits Scheme	72
25	Asali Holdings Staff Retirement Benefits Scheme	997
26	ASP Company Limited Provident Fund Scheme	693
27	Assured Insurance Brokers Limited Staff Retirement Benefits Scheme	1,082
28	Avenue Service Station (1977) Staff Retirement Benefits Scheme	995
29	Avery Kenya Ltd Staff Retirement Benefits Scheme	700
30	Bagda's Auto Spares Staff Retirement Benefits Scheme	998
31	Bamburi Cement Limited Staff Retirement Benefits Scheme	147
32	Bank of India Staff Pension Scheme	679
33	Banki-Kuu Savings and Credit Co-operative Staff Provident Fund	1,217
34	Baraza Limited Staff Pension Scheme	601
35	Barclays Bank of Kenya Limited Staff Pension Fund	210
36	BAT Kenya Ltd. Staff Provident Fund (Old Fund)	102
37	BAT Kenya Provident-Trust A/C (1991) Fund	103
38	Bayer East Africa Limited Staff Provident Fund (Registered Scheme)	1,027
39	BDF East Africa Limited Staff Retirement Benefits Scheme	778
40	Blackwood Hodge (K) Limited Staff Retirement Benefits Scheme	447
41	Bonar (EA) Limited Staff Retirement Benefits Scheme	70
42	Braeburn Limited Kenya Staff Retirement Benefits Scheme	1,276
43	Brooke Bond (K) Limited Staff Pension Scheme	203
44	Brooke Bond Kenya Limited Retirement Savings Plan	278
45	C. Dorman Limited Staff Retirement Benefits Scheme	702
46	CAB International Staff Retirement Benefits Scheme	152
47	Cannon Assurance (Kenya) Limited Staff Pension Scheme	25
48	Capital Group Staff Provident Fund	908
49	Carbacid (Co2) Limited Staff Provident Fund	1,031
50	Care International in Kenya Staff Retirement Benefits Scheme	785
51	Carnaudmetalbox (Kenya) Limited Provident Fund	193
52	Carnaudmetalbox Kenya Limited Staff Pension and Life Assurance Scheme (1983)	191
53	Central Bank of Kenya Staff Pension Scheme	107
54	CFC Bank Limited Staff Retirement Benefits Scheme	707
55	CMC Holdings Ltd Staff Retirement Benefits Scheme (No. 4)	705
56	Coates Brothers East Africa Limited Staff Pension & Life Assurance Scheme	173
57	Comcraft Kenya Limited Group Staff Pension Scheme	643
58	Communications Commission of Kenya Staff Retirement Benefits Scheme	1,192
59	Consolidated Provident Fund	343
60	Co-operative Bank of Kenya Staff Retirement Benefits Scheme	1,067
61	Corn Products Kenya Ltd Staff Retirement Benefits Scheme	790
62	Corporate Insurance Company Limited Staff Retirement Benefits Scheme	581

NO.	NAME OF SCHEME	SCHEME REF. NO.
63	Credit Agricole Indosuez Staff Retirement Benefits Scheme	155
64	Credit Bank Limited Staff Retirement Benefits Scheme	641
65	D.T. Dobie & Company Kenya Limited Staff Retirement Benefits Scheme	367
66	Davis & Shirliff Limited Staff Retirement Benefits Scheme	75
67	Daystar University Provident Fund	987
68	Dental Centre Staff Retirement Benefits Scheme	136
69	Diamond Trust of Kenya Limited Staff Pension and Life Assurance	562
70	Diversey Lever East Africa Provident Fund	204
71	East African Breweries Limited Management Staff Pension Fund and Life Insurance Scheme	184
72	East African Breweries Limited Staff Provident Fund	183
73	East African Breweries Limited Staff Provident Fund 2003	1,503
74	East African Cables Limited Staff Retirement Benefits Scheme And Group Life Assurance Scheme	175
75	East African Packaging Industries Limited Staff Retirement Benefits Scheme	71
76	East African Wildlife Society Staff Retirement Benefits Scheme	794
77	Economic Housing Group Staff Provident Fund Scheme	564
78	Electoral Commission of Kenya Staff Retirement Benefits Scheme	1,171
79	Electricity Regulatory Board Staff Pension Plan	1,239
80	Environment Liaison Centre International Staff Pension Scheme	1,352
81	ETC East Africa Limited Staff Pension Scheme	146
82	Ewaso Ng'iro North River Basin Dev. Authority Staff Retirement Scheme	795
83	Express Kenya Limited Staff Provident Fund	635
84	Family Health International Provident Fund	588
85	Farmchem Ltd Staff Retirement Benefits Scheme	796
86	Farmer's Choice Ltd Junior Staff Retirement Benefits Scheme	634
87	Farmer's Choice Staff Retirement Benefits Scheme	1,089
88	Faulu Kenya Limited Staff Retirement Benefits Scheme	1,237
89	Fina Bank Limited Provident Fund Scheme	684
90	First American Bank of Kenya Limited Staff Provident Fund	300
91	Food for the Hungry International (Kenya) - Staff Retirement Benefits Scheme	798
92	Friendship Container Manufacturers Limited Staff Pension and Life Assurance	546
93	Full Gospel Churches of Kenya Staff Retirement Benefits Scheme	799
94	Gachichio Insurance Brokers Limited Staff Provident Fund	565
95	Geminia Insurance Company Ltd Staff Retirement Benefits Scheme	722
96	General Accident Ins Co. (K) Limited Retirement Benefits Scheme for Executive Staff	73
97	General Accident Ins Co. (K) Limited Retirement Benefits Scheme for Non-Management Staff	74
98	General Cargo Services Staff Retirement Benefits Scheme	993
99	General Motors (K) Ltd Staff Retirement Benefits Scheme	723
100	Genesis Kenya Investment Management Limited Staff Pension Scheme	801
101	Goldsmith Seeds (K) Ltd Staff Retirement Benefits Scheme	803
102	GTZ -PAS Staff Retirement Benefits Scheme	24
103	Heidelberg East Africa Limited Staff Retirement Benefits Scheme	1,066
104	Higher Education Loans Board Staff Retirement Benefits Scheme	1,211
105	Highlight Travel Limited Staff Provident Fund and Life Assurance Scheme	1,155
106	Hotel Sirikwa Limited Staff Pension Scheme	561
107	Huduma Provident Fund For Kenyan National Staff Of Catholic Relief Services	368
108	Imperial Bank Limited Staff Pension and Life Assurance Scheme	540
109	Industrial & Commercial Development Corporation Staff Retirement Scheme	727
110	Industrial Promotion Services (Kenya) Group Staff Retirement Benefits Scheme	1,119
111	Insurance Company of East Africa Limited Staff Provident Fund and Life Assurance Scheme	303
112	Interconsumer Products Limited Staff Pension & Life Assurance Scheme	1,135
113	International Centre of Insect Physiology and Ecology Staff Retirement Benefits Scheme	78
114	International School of Kenya Staff Pension Scheme	935
115	International Union for Conservation of Nature Retirement Scheme	917
116	Johnson's Wax EA Ltd Staff Retirement Benefits Scheme	990
117	Jomo Kenyatta Foundation Staff Retirement Benefits Scheme	549
118	Jomo Kenyatta University of Agriculture and Technology Staff Retirement Benefits Scheme	207
119	Josra Coffee Company Ltd Staff Retirement Benefits Scheme	1,077
120	K- Rep Group Staff Provident Fund	1,265
121	Kabage & Mwirigi Insurance Brokers Limited Staff Pension Benefits Scheme	140
122	Kagwe & Company Advocates Staff Pension Scheme	475
123	Kassim-Lakha Samvir Abdullah & Company Provident Fund and Group Life Assurance Scheme	558
124	Kenafric Industries Limited Staff Retirement Benefits Scheme	150
125	Kencell Communications Ltd. Staff Retirement Benefits Scheme	1,366
126	Kenindia Assurance Company Limited Pension Scheme	645
127	Kenya Accountants and Secretaries National Examinations Board Staff Retirement Benefits Scheme	735
128	Kenya Agency Force of Alico (K) Limited Staff Pension Scheme	363

NO.	NAME OF SCHEME	SCHEME REF. NO.
129	Kenya Bankers Association Staff Provident Fund	595
130	Kenya Broadcasting Corporation Staff Retirement Benefits Scheme	813
131	Kenya Bus Services Limited Executive and Main Staff Retirement Benefits Scheme	316
132	Kenya Ferry Services Staff Retirement Benefits Scheme	406
133	Kenya Forestry Research Institute Staff Retirement Benefits Scheme	736
134	Kenya Human Rights Commission Staff Pension Scheme	1,185
135	Kenya Industrial Research and Development Institute Staff Retirement and Group Life Assurance Scheme	375
136	Kenya Institute of Administration Staff Retirement Benefits Scheme	1,469
137	Kenya Medical Training College Staff Retirement Benefits Scheme	1,379
138	Kenya National Shipping Line Limited Staff Retirement Benefits Scheme	983
139	Kenya Nut Company Limited Staff Pension and Life Assurance Scheme	567
140	Kenya Pipeline Ltd Staff Retirement Benefits Scheme	632
141	Kenya Ports Authority Pension Scheme	39
142	Kenya Revenue Authority Staff Pension Scheme	297
143	Kenya Society for the Blind Staff Retirement Benefits Scheme	1,024
144	Kenya Stationers Limited Staff Retirement Benefits Scheme	552
145	Kenya Sugar Authority Staff Retirement Benefits Scheme	1,034
146	Kenya Sugar Research Foundation Staff Retirement Benefits Scheme	1,343
147	Kenya Tea Packers Limited Staff Provident Fund and Life Assurance Scheme	330
148	Kenya Wine Agencies Limited Staff Provident Fund	740
149	Kenyatta National Hospital Staff Superannuation Scheme	822
150	Kirloskar Kenya Limited Staff Pension Scheme	689
151	Kisii Bottlers Limited Staff Retirement Benefits Scheme	824
152	KLM Royal Dutch Airlines Staff Pension Scheme	365
153	Kodak Kenya Ltd Staff Pension Scheme	1,350
154	Lake Basin Development Authority Provident Fund	674
155	League Of Kenya Women Voters Staff Pension Plan	1,153
156	Let's Go Travel Staff Pension and Life Assurance Scheme	566
157	Liaison Insurance Brokers Limited Staff Pension and Life Assurance Scheme	548
158	Livingstone Registrars Staff Pension Scheme	897
159	Lonrho Hotels Group Pension & Life Assurance Staff Retirement Benefits Scheme	1,199
160	Lutheran World Federation/Department For World Service- Kenya/Sudan Programme Staff Provident Fund	1,412
161	Lutheran World Relief Staff Retirement and Life Assurance Scheme	435
162	Macmillan Kenya (Publishers) Limited Staff Retirement Benefits Scheme	283
163	Madison Insurance Company (K) Limited Staff Retirement Benefits Scheme	186
164	Market Service Station Limited Pension Scheme	654
165	Markmann And Company Limited Staff Retirement Benefits Scheme	1,080
166	Marryat & Scott Kenya Limited Staff Pension and Life Assurance Scheme	543
167	Marshall Fowler (Engineers) Limited Staff Pension and Life Assurance Scheme	92
168	Mawasiliano Staff Retirement Benefit Scheme	992
169	Mbaraki Port Warehouse(K)Ltd Staff Retirement Benefits Scheme	1,011
170	MEA Limited Provident Fund	742
171	Mehta Group Limited Provident Scheme	648
172	Mercantile Life and General Assurance Pension Scheme	172
173	Mid-Oil Africa Limited Staff Retirement Benefits Scheme	1,368
174	Mini Bakeries (Nairobi) Limited Staff Pension Scheme	1,514
175	Mission Aviation Fellowship Staff Pension Scheme	973
176	Mission for Essential Drugs and Supplies (MEDS) Provident Fund and Life Assurance Scheme	342
177	Moi Teaching and Referral Hospital Staff Pension Scheme	1,334
178	Moi University Pension Scheme	100
179	Mugaco Services Limited Staff Pension Plan	872
180	Mumias Sugar Company Limited Staff Retirement Benefits Scheme	745
181	Mwalimu Co-operative Savings & Credit Society Limited Staff Pension Scheme	746
182	Nairobi International School of Theology Staff Pension And Life Assurance Scheme	557
183	NAS Airport Services Staff Provident Fund	277
184	Nation Media Group Staff Retirement Benefits Scheme	178
185	National Cereals & Produce Board Staff Retirement Benefits Scheme	1,322
186	National Fund For The Disabled of Kenya Staff Provident Fund Scheme	1,214
187	National Irrigation Board Staff Retirement Benefits Scheme	833
188	National Oil Corporation of Kenya Staff Retirement Benefits Scheme	602
189	National Security Intelligence Service Staff Retirement Benefits Scheme	1,069
190	National Water Conservation and Pipeline Corporation Staff Superannuation Scheme	984
191	Nestle Foods Kenya Limited Staff Pension Scheme	836
192	Network for Water and Sanitation International Staff Retirement Benefits Scheme	67

NO.	NAME OF SCHEME	SCHEME REF. NO.
193	Nzoia Sugar Company Staff Retirement Benefits Scheme	749
194	Ogilvy & Mather (Eastern Africa) Limited Staff Retirement Benefits Scheme	149
195	Old Mutual Kenya Staff Provident Fund	943
196	Orpower 4 Inc Staff Pension Scheme	1,422
197	Oshwal High School Staff Provident Fund	234
198	Oxford University Press East Africa Limited Staff Retirement Benefits Scheme	751
199	Paper Convertors (K) Ltd Pension Scheme	666
200	Pegasus Tea Limited Staff Pension and Life Assurance Scheme	526
201	Philips Medical Systems (East Africa) Limited 1994 Staff Provident Fund Scheme	985
202	Phoenix of EA Assurance Co. (K) Limited Staff Retirement Benefits Scheme	68
203	Pioneer Holdings (Africa) Staff Provident Fund Scheme	1,440
204	Pollen Limited Staff Retirement Benefits Scheme	156
205	Population Services International Staff retirement Benefits Scheme	219
206	Postal Corporation of Kenya Provident Fund	1,335
207	Postal corporation Of Kenya Staff Pension Scheme	1,336
208	Premier Academy Charitable Trust Staff Retirement Benefits Scheme	228
209	Presbyterian Church of E.A. Kikuyu Hospital Staff Retirement Scheme	752
210	Prime Point Limited Pension Scheme	1,249
211	Procter and Gamble (E.A) Ltd Staff Retirement Benefits Scheme	617
212	Proctor and Allan (EA) Limited Staff Retirement Benefits Scheme	1,081
213	Quadrant Services Limited Staff Provident Fund	27
214	Redlands Roses Limited Staff Retirement Benefits Scheme	1,198
215	Reli Coop Savings and Credit Society Limited Staff Retirement Benefits Scheme	76
216	Rentokil Initial Limited Staff Pension and Life Assurance Scheme	547
217	Retirement Benefits Authority Staff Retirement Benefits Scheme	1,400
218	Richlands Insurance Brokers Staff Retirement Benefits Scheme	133
219	Rift Roadways/Echken Agencies Ltd Staff Retirement Benefits Scheme	991
220	Royal Insurance Company of East Africa Limited Non-Management Staff Retirement Benefits Scheme	180
221	Royal Insurance Company Of East Africa Limited Management Staff Retirement Benefits Scheme	179
222	Rusinga Investments Limited T/A Rusinga School, Nairobi Staff Pension Scheme	125
223	Safaricom Limited Staff Retirement Benefits Scheme	1,215
224	Safinaz Investment Ltd. Staff Retirement Benefits Scheme	434
225	Sandvik Kenya Ltd Staff Retirement Benefits Scheme	843
226	Sara Lee Household and Body Care Kenya Limited Staff Retirement Benefits Scheme	291
227	SCEM Farm Management Limited Staff Retirement Benefits Scheme	308
228	SGS Kenya Limited Staff Retirement Benefits Scheme	878
229	Shepherds Junior School Staff Pension Scheme	120
230	Sigma Feeds Staff Retirement Benefits Scheme	996
231	SKF (K) Limited Pension Scheme	59
232	Slumberland Kenya Limited Pension Scheme	686
233	Socfinaf Company Limited Retirement Benefits Scheme	290
234	Social Service League MP Shah Retirement Benefits Scheme	80
235	Sollatek Electronics (K) Limited Staff Retirement Benefits Scheme	563
236	SOS Children's Villages Kenya Staff Provident Fund	1,037
237	South Nyanza Sugar Co. Ltd Staff Pension and Life Assurance Scheme	986
238	Southern Credit Banking Corporation Staff Retirement Benefits Scheme	223
239	St. Andrews School Turi Staff Retirement Benefits Scheme	1,041
240	St. Lawrence University Staff Retirement Benefits Scheme	1,476
241	Standard Chartered Kenya Pension Fund (1996) Scheme	358
242	Starlit Insurance Agency Staff Retirement Benefits Scheme	166
243	Statim Pharmaceuticals Limited Staff Pension and Group Life Assurance Scheme	527
244	Stima SACCO Society Limited Staff Pension Scheme	848
245	Sunshine Secondary School Staff Pension Scheme	443
246	Surgipharm Limited Staff Provident Fund	680
247	Syngenta East Africa Limited Staff Pension Scheme	909
248	Tamarind Management Limited Staff Group Pension Life Assurance & Disability Income Insurance Scheme	525
249	Taylor Winch (coffee) Ltd Staff Retirement Benefits Scheme	850
250	Teachers Service Commission Staff Superannuation Scheme	759
251	The Anglican Church of Kenya Staff Provident Fund	214
252	The Co-operative Insurance Company of Kenya Limited Staff Retirement Benefits Scheme	940
253	The Finlay African Agency Provident Fund	195
254	The Finlay Kenya Provident Fund	196
255	The Heritage A.I.I. Insurance Company Limited Individual Retirement Fund	1,458
256	The Jubilee Staff Retirement Benefits Scheme	559
257	The Kenya Airways Limited Staff Provident Fund	208

NO.	NAME OF SCHEME	SCHEME REF. NO.
258	The Kenya Airways Limited Unregistered Staff Provident Fund	1,005
259	The Kenya National Examination Council Staff Retirement Benefits Scheme	852
260	The Life Ministry Staff Provident Fund and Life Assurance Scheme	570
261	The Mater Hospital Pension Fund	1,509
262	The Paper House of Kenya Limited Staff Retirement Benefits Scheme	853
263	The Population Council Staff Provident Fund	1,021
264	The Sotik Tea Company Limited Staff Provident Fund	1,441
265	The Sotik Tea Company Limited Staff Provident Fund	109
266	The U.S. Government Staff Pension Scheme	436
267	Trocaire Staff Provident Fund	1,016
268	UAP Insurance Pension Fund	162
269	UDV (K.) Limited Provident Fund	293
270	UDV (Kenya) Limited Staff Pension Scheme	294
271	Ultimate Security Ltd Staff Retirement Benefits Scheme	1,040
272	Unga Group Limited and It's Subsidiaries Staff Retirement Benefits Scheme	498
273	Uniafric Provident (Kenya) Fund	20
274	Union East African Pension Fund	21
275	Union Locks Kenya Limited Provident Scheme	687
276	United Kenya Club Staff Provident Fund and Life Assurance Scheme	763
277	United States International University-Africa Staff Pension Scheme	857
278	Ushuru - Cuew Sacco Society Limited Staff Pension Scheme	456
279	Van Leer East Africa Limited Staff Provident Fund Scheme	890
280	Vanguard Limited Staff Pension and Life Assurance Scheme	550
281	Vision Institute of Professionals Limited Provident Fund	1,053
282	Waandishi Limited Staff Provident Fund	205
283	Wedco Enterprises Development Limited Staff Retirement Benefits Scheme	1,010
284	Wigglesworth Exporters Limited Management Staff Retirement Benefits Scheme	12
285	Williamson Tea Kenya Staff Provident Fund	37
286	Wines of the World Staff Retirement Benefits Scheme	1,183
287	Yaya Towers Limited Staff Pension Fund	378

SERVICE PROVIDERS

REGISTERED CUSTODIANS

Company	P.O. Box	Town	Tel	E-mail
1. Barclays Bank of Kenya Ltd.	40984	NAIROBI	241270	bisl@africaonline.co.ke
2. CFC Bank Ltd.	72833	NAIROBI	340091	cfcbank@cfcgroup.co.ke
3. Consolidated Bank of Kenya Ltd.	51133	NAIROBI	340551	cbk_itmanager@alphanet.co.ke
4. Co-operative Bank of Kenya Ltd.	48231	NAIROBI	228711	cmb@africaonline.co.ke
5. Imperial Bank Ltd.	44905	NAIROBI	2711994	info@imperialbank.co.ke
6. Investments & Mortgages Bank Ltd	30238	NAIROBI	711994	invest@imbank.co.ke
7. Kenya Commercial Bank Ltd.	30664	NAIROBI	248812	trustee@kcb.co.ke
8. National Bank of Kenya Ltd.	72866	NAIROBI	226471	nbkit@nbnet.co.ke
9. NIC Bank Ltd.	44599	NAIROBI	718200	nic@iconnect.co.ke
10. Stanbic Bank Kenya Ltd.	30550	NAIROBI	335888	stanbic@africaonline.co.ke

REGISTERED MANAGERS

Company	P.O. Box	Town	Tel	E-mail
1. African Alliance Kenya Ltd.	27639	NAIROBI	2710978	muigais@africanalliance.co.ke
2. AIG Global Investment Company (East Africa) Ltd.	67262	NAIROBI	249444	admin@aigea.co.ke
3. CFC Financial Services Ltd.	44074	NAIROBI	250100	cfcfs@cfcgroup.co.ke
4. Co-op Trust Investment Services Ltd.	48231	NAIROBI	228711	cmb@africaonline.co.ke
5. Genesis Kenya Investment Management Ltd.	79217	NAIROBI	251012	genesis@net2000ke.com
6. ICEA Investment Services Ltd.	4614300100	NAIROBI	226152	iisl@icea.co.ke
7. Jubilee Financial Services Ltd.	30376	NAIROBI	340343	jic@jubileekenya.com
8. Kenindia Asset Management Company Ltd.	44372	NAIROBI	333100	kenindia@africaonline.co.ke
9. Madison Asset Management Services Ltd.	47382	NAIROBI	721970	madison@madison.co.ke
10. Old Mutual Asset Managers (Kenya) Ltd.	11589	NAIROBI	243251	omam@omamkenya.com
11. Stanbic Investment Management Services (EA) Ltd.	30550	NAIROBI	335888	sims@africaonline.co.ke

ADMINISTRATORS

Company	P.O. Box	Town
1 Advent Insurance Brokers Ltd.	22542	NAIROBI
2 ALICO Ltd.*	30364	NAIROBI
3 Aon Minet	20102	NAIROBI
4 Alexander Forbes Financial Services Ltd.	52439	NAIROBI
5 Apollo Insurance Company Ltd.*	30389	NAIROBI
6 Assured Insurance Brokers Ltd.	67511	NAIROBI
7 British American Insurance Company Ltd.*	30375	NAIROBI
8 Chancery Insurance Brokers	55537	NAIROBI
9 Capital Trustees Ltd.	47665	NAIROBI
10 Clarkson Notcutt Insurance Brokers Ltd.	30279	NAIROBI
11 Consolidated Insurance Brokers Ltd.	72973	NAIROBI
12 Corporate Insurance Company Ltd.*	34172	NAIROBI
13 Compaq Consultants	46143	NAIROBI
14 Fidelity Shield Insurance Co. Ltd.*	47435	NAIROBI
15 Geminia Insurance Co. Ltd.*	61316	NAIROBI
16 Heritage All Insurance Co. Ltd.*	30390	NAIROBI
17 Insurance Company of East Africa Ltd.*	46143	NAIROBI
18 Joes Insurance Brokers Ltd.	75777	NAIROBI
19 Jubilee Insurance Co. Ltd.*	30376	NAIROBI
20 Kabage & Mwirigi Insurance Brokers Ltd.	50565	NAIROBI
21 Kenindia Assurance Co. Ltd.*	44372	NAIROBI
22 Kenyan Alliance Insurance Co. Ltd.*	30170	NAIROBI
23 Liaison Insurance Brokers Ltd.	58013	NAIROBI
24 Livingstone Registrars Ltd.	40092	NAIROBI
25 Madison Insurance Co. (K) Ltd.*	47382	NAIROBI
26 Mercantile Life & General Assurance Co. Ltd.*	20680	NAIROBI
27 Monarch Insurance Co. Ltd.*	44003	NAIROBI
28 New Day Insurance Brokers Ltd.	76108	NAIROBI
29 Pan Africa Insurance Co. Ltd.*	30065	NAIROBI
30 Roberts Insurance Brokers Ltd.	73415	NAIROBI
31 Old Mutual Life Assurance Co. Ltd.	30059	NAIROBI
32 Sapon Insurance Brokers Ltd.	47628	NAIROBI
33 Sedgwick Kenya Insurance Brokers Ltd.	40709	NAIROBI
34 Trade Insurance Brokers Ltd.	34109	NAIROBI
35 Trust Mark Insurance Consultants Ltd.	19936	NAIROBI
36 Unicover Insurance Brokers Ltd.	43013	NAIROBI
37 UAP Provincial Co. Ltd.*	47665	NAIROBI

* Insurance Companies.

Please note that the Authority does not register Administrators and this list is only intended as a general guide and is neither exhaustive nor an indication of approval from the Authority.

ACTUARIES

Company	Address
1 Actuarial and Benefit Consultants Ltd	Rose Avenue P.O. Box 61742 Nairobi ,
2 Alexander Forbes Financial Services (EA)	7th Floor, Nation Centre Kimathi Street, P O Box 52439 Nairobi .
3 Aon Consulting & Actuarial services	Aon Minet House, Nyerere Road, P.O. box 48279 000100, Nairobi
4 Nauman Associates Consulting Actuaries	6/1 Zafar Road LahoreCantt, Lahore, Pakistan
5 NBC Africa Ltd.	6th Floor Victoria Towers Upper Hill,P.O. Box 10472-00100 Nairobi
6 Watson Wyatt Partners	Watson House, London Road, Reigate, Surrey, RH2 9PQ, United Kingdom
7 William M. Mercer Ltd.	Dexter House2 Royal Mint Court, London, EC3N 4NA, United Kingdom